

Philip C. Baxa (VSB No. 22977)
MERCERTRIGIANI LLP
16 South Second Street
Richmond, Virginia 23219
Tel: 804-782-8691
Fax: 804-644-0209
Phil.baxa@mercertrigiani.com

-and-

KING & SPALDING LLP
James A. Pardo, Jr.
Georgia Bar No. 561206
jpardo@kslaw.com
Thaddeus D. Wilson
Georgia Bar No. 596008
thadwilson@kslaw.com
1180 Peachtree Street
Atlanta, Georgia 30309-3521
Telephone: (404) 572-4600
Facsimile: (404) 572-5129

Counsel for Mitsubishi Digital Electronics America, Inc.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

-----X		
In re:	:	Chapter 11
	:	
CIRCUIT CITY STORES, INC., et al.,	:	Case No. 08-35653
	:	
Debtors.	:	Jointly Administered
	:	
-----X		

**STIPULATION AND ORDER RESOLVING DEBTORS' OBJECTIONS TO THE
CLAIMS OF MITSUBISHI DIGITAL ELECTRONICS AMERICA, INC.**

This matter is now before the Court with the consent and on the stipulation of the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors") and Mitsubishi Digital Electronics America, Inc. ("Mitsubishi"), as evidenced by the signature of their respective counsel hereinbelow.

BACKGROUND

The Debtors and Mitsubishi hereby stipulate and agree as follows:

1. On November 10, 2008 (the “Petition Date”), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code.

2. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

3. On November 12, 2008, the Court appointed Kurtzman Carson Consultants LLC (“KCC”) as claims, noticing, and balloting agent for the Debtors in these chapter 11 cases.

4. On November 12, 2008, this Court entered that certain Order Establishing Bar Date for Filing Requests for Payment of Administrative Expense Claims Under Bankruptcy Code Sections 105 and 503(b)(9) and Approving Form, Manner and Sufficiency of Notice of the Bar Date Pursuant to Bankruptcy Rule 9007 [Docket No. 107].

5. On November 18, 2008, Mitsubishi timely filed its Proof of 503(b)(9) Claim (the “Mitsubishi 503(b)(9) Claim”) with KCC. The Mitsubishi 503(b)(9) Claim asserted an administrative priority claim against Circuit City Stores, Inc. and its estate (collectively, “Circuit City”) in the amount of \$4,965,976.18. KCC docketed the Mitsubishi 503(b)(9) Claim as Claim No. 132.

6. On December 10, 2008, the Court entered that certain Order Pursuant to Bankruptcy Code Sections 105 and 502 and Bankruptcy Rules 2002, 3003(c)(3), and 9007 (I) Setting General Bar Date and Procedures for Filing Proofs of Claim; and (II) Approving Form and Manner of Notice Thereof [Docket No. 890].

7. On January 28, 2009, Mitsubishi timely filed a proof of claim against the Debtors (the “Original Mitsubishi Proof of Claim”) with KCC. The Original Mitsubishi Proof of Claim asserted a total claim against Circuit City of \$15,258,077.65, which was comprised of a secured claim in the amount of \$2,641,909.24, a pre-Petition Date priority claim in the amount of

\$4,965,976.18, and a pre-Petition Date non-priority general unsecured claim in the amount of \$7,650,191.58. KCC docketed the Original Mitsubishi Proof of Claim as Claim No. 7194.

8. On April 17, 2009, Mitsubishi filed an amended proof of claim with KCC (the “Amended Mitsubishi Proof of Claim”), whereby Mitsubishi amended the Original Mitsubishi Proof of Claim to assert a total claim against Circuit City of \$15,258,077.65, which was comprised of a secured claim in the amount of \$ 3,110,267.24, a pre-Petition Date priority claim in the amount of \$4,965,976.18, and a pre-Petition Date non-priority general unsecured claim in the amount of \$7,181,834.23. KCC docketed the Amended Mitsubishi Proof of Claim as Claim No. 12300.

9. On April 17, 2009, the Debtors filed the Debtors’ Fourth Omnibus Objection to Certain Duplicative Claims (the “Fourth Omnibus Objection”) [Docket No. 3096], in which, among other things, the Debtors objected to Mitsubishi’s inclusion of its \$4,965,976.18 administrative priority claim as part of the Original Mitsubishi Proof of Claim, arguing that it is duplicative of the Mitsubishi 503(b)(9) Claim..

10. Mitsubishi, on May 20, 2009, filed a response to the Fourth Omnibus Objection [Docket No. 3384], and on July 6, 2009, filed a supplemental response to the Fourth Omnibus Objection [Docket No. ____]. A hearing on the Fourth Omnibus Objection and Mitsubishi’s response and supplemental response thereto currently is set for July 23, 2009.

11. On June 23, 2009, the Debtors filed the Debtors’ Twentieth Omnibus Objection to Claims (the “Twentieth Omnibus Objection”) [Docket No. 3704], in which, among other things, the Debtors objected to the inclusion of an invoice for \$76,260.00 as part of the Mitsubishi 503(b)(9) Claim and sought to have such amount reclassified as a general unsecured claim,

arguing that the Debtors did not receive the goods listed on the invoice within the twenty days prior to commencement of the above-referenced bankruptcy cases..

12. On July 6, 2009, Mitsubishi filed a response to the Twentieth Omnibus Objection [Docket No. ____]. A hearing on the Twentieth Omnibus Objection and Mitsubishi's response thereto currently is set for July 23, 2009.

13. On June 23, 2009, the Debtors filed the Debtors' Twenty-Third Omnibus Objection to Claims (the "Twenty-Third Omnibus Objection") [Docket No. 3711], in which, among other things, the Debtors object to Mitsubishi's inclusion of its \$4,965,976.18 administrative priority claim as part of the Amended Mitsubishi Proof of Claim, arguing that it is duplicative of the Mitsubishi 503(b)(9) Claim.

14. On July 6, 2009, Mitsubishi filed a response to the Twenty-Third Omnibus Objection [Docket No. ____]. A hearing on the Twenty-Third Omnibus Objection and Mitsubishi's response thereto currently is set for July 23, 2009.

15. The Debtors and Mitsubishi have reached an agreement regarding the resolution of the Fourth Omnibus Objection, the Twentieth Omnibus Objection, and the Twenty-Third Omnibus Objection insofar as those objections relate to the Mitsubishi 503(b)(9) Claim, the Original Mitsubishi Proof of Claim, and the Amended Mitsubishi Proof of Claim.

STIPULATION AND ORDER

ACCORDINGLY, the Debtors and Mitsubishi hereby stipulate and agree, and it is HEREBY ORDERED, that:

1. The Debtors' Twentieth Omnibus Objection shall be deemed WITHDRAWN as it relates to the Mitsubishi 503(b)(9) Claim.

2. Subject to the terms of this Stipulated Order, the Debtors' Fourth Omnibus Objection and the Debtors' Twenty-Third Omnibus Objection shall be deemed GRANTED.

3. Mitsubishi shall be deemed to have timely asserted against Circuit City a secured claim in the amount of \$ 3,110,267.24 (as evidenced by the Amended Mitsubishi Proof of Claim); a 503(b)(9) claim in the amount of \$4,965,976.18 (as evidenced by the Mitsubishi 503(b)(9) Claim); and a non-priority general unsecured claim in the amount of \$7,181,834.23 (as evidenced by the Amended Mitsubishi Proof of claim).

4. All other claims asserted or filed by Mitsubishi for amounts due to it on and as of the Petition Date, other than those identified in the immediately preceding paragraph of this Stipulation and Order, shall be deemed WITHDRAWN by Mitsubishi as duplicate claims.

5. Nothing contained in this Stipulation and Order shall effect, impair or prejudice the right of the Debtors to file additional objections to the Mitsubishi 503(b)(9) Claim or the Amended Mitsubishi Proof of Claim, the defenses of Mitsubishi to any such further objections, or Mitsubishi's right to amend or supplement its claims against the Debtors.

This ____ day of July, 2009.

United States Bankruptcy Judge

Stipulated and agreed to:

MCGUIRE WOODS LLP

Dion W. Hayes (VSB No. 34304)
Douglas M. Foley (VSB No. 34364)
One James Center
901 E. Cary Street
Richmond, Virginia 23219

(804) 775-1000

-and-

SKADDEN, ARPS, SLATE, MEAGHER &
FLOM, LLP

Gregg M. Galardi, Esq.

Ian S. Fredericks, Esq.

One Rodney Square

PO Box 636

Wilmington, Delaware 19899-0636

(302) 651-3000

-and-

SKADDEN, ARPS, SLATE, MEAGHER &
FLOM, LLP

Chris L. Dickerson, Esq.

333 West Wacker Drive

Chicago, Illinois 60606

(312) 407-0700

COUNSEL TO THE DEBTORS
AND DEBTORS IN POSSESSION

MERCERTRIGIANI LLP

Philip C. Baxa (VSB No. 22977)

16 South Second Street

Richmond, Virginia 23219

Tel: 804-782-8691

Fax: 804-644-0209

Phil.baxa@mercertrigiani.com

- and -

KING & SPALDING LLP

James A. Pardo, Jr.

Georgia Bar No. 561206

jpardo@kslaw.com

Thaddeus D. Wilson

Georgia Bar No. 596008

thadwilson@kslaw.com
1180 Peachtree Street
Atlanta, Georgia 30309-3521
Telephone: (404) 572-4600
Facsimile: (404) 572-5129

COUNSEL FOR MITSUBISHI